



Tom Barrett
Mayor, City of Milwaukee

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MAYOR TOM BARRETT CALLS ATTENTION TO NEW STATE LAW THAT PROTECTS TENANT RIGHTS DURING FORECLOSURE

Milwaukee Mayor Tom Barrett is promoting a new state law that recently took effect that protects the rights of renters of foreclosed properties.

Under the new state law:

- Landlords must provide written notice to tenants or prospective tenants when foreclosure action begins, and again when the deadline expires for the landlord to repay to avoid foreclosure.
- Banks and financial institutions must provide written notice three times to current tenants of the property in foreclosure: when the foreclosure action begins, when the court issues a judgment, and when the property will be placed for sale. Failure to provide notice carries a \$250 fine plus attorney fees.
- **Tenants may stay in their rental residence up to two months following sale of the foreclosed property.**
- If there is a security deposit, tenants can withhold rent and let the security deposit cover the last month before the foreclosure 'redemption' period expires. This means the time allowed for a property owner to stop the foreclosure from moving forward, a period that lasts between six to 12 months.
- Beginning June 6, the Wisconsin Circuit Court records cannot display information regarding a tenant eviction that was prompted by mortgage foreclosure.

"After hearing horror stories of tenants losing money and being evicted because they were living in foreclosed properties, the City of Milwaukee requested a change in state law," Barrett said. "I am happy to see that changes have been made and that our residents now have greater rights to safe and secure rental housing during these difficult economic times."

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Barrett credited members of the Milwaukee Foreclosure Partnership Initiative and members of the Wisconsin State Legislature for working to protect tenants' rights during the foreclosure process. State Senator Lena Taylor (D-Milwaukee) and State Representative Gordon Hintz (D-Oshkosh) were the lead sponsors of the legislation, which was included in the recent state budget and economic stimulus package. Minnesota and California have passed similar tenant protection laws.

Property owners at risk of foreclosure are encouraged to visit www.milwaukeehousinghelp.org for referral information on housing counseling agencies, legal advice and more.